

Date Mailed  
April 28, 2000

BEFORE THE  
PUBLIC SERVICE COMMISSION OF WISCONSIN

Petition of CenturyTel of Central Wisconsin, LLC for Certification as an Incumbent Local Exchange Carrier	2055-NC-100
Petition of Telephone USA of Wisconsin, LLC for Certification as an Incumbent Local Exchange Carrier	5846-NC-100
Notification by CenturyTel of Central Wisconsin, LLC, That It Intends to Establish Initial Interim Telephone Rates	2055-TR-100
Notification by Telephone USA of Wisconsin, LLC, That It Intends to Establish Initial Interim Telephone Rates	5846-TR-100

**NOTICE OF PROCEEDING, HEARING, AND  
ASSESSMENT OF COSTS**

<b>Direct Testimony Due (in hand):</b>	<b>Wednesday, May 10, 2000 – Noon</b>
<b>Rebuttal Testimony Due (in hand):</b>	<b>Wednesday, May 17, 2000 – Noon</b>
<b>Surrebuttal Testimony Due (in hand):</b>	<b>Monday, May 22, 2000 – Noon</b>
<b>Hearing Date:</b>	<b>Tuesday, May 23, 2000 – 9 a.m.</b>
<b>Hearing Location:</b>	<b>Public Service Commission, 610 North Whitney Way, Madison, WI</b>

**THIS IS PROCEEDING TO** consider whether it is in the public interest to approve certifying as incumbent local exchange carriers (ILECs) CenturyTel of Central Wisconsin, LLC (CenturyTel-Central), and Telephone USA of Wisconsin, LLC (Telephone USA) (the Applicants), both of 2615 East Avenue, P.O. Box 4800, LaCrosse WI 54602-4800. In addition, this is a proceeding to approve interim rate schedules for both Applicants. For convenience, the dockets have been consolidated for one hearing, but separate decisions are expected for certification and rate matters addressed in this proceeding.

GTE North Incorporated (GTE) is selling to CenturyTel-Central 42 Wisconsin local exchanges<sup>1</sup> containing approximately 64,800 access lines. In addition, GTE is selling to Telephone USA 35 Wisconsin local exchanges<sup>2</sup> containing approximately 61,600 access lines. CenturyTel-Central is a wholly owned subsidiary of CenturyTel, Inc. Telephone USA is a substantially owned subsidiary of CenturyTel, Inc.<sup>3</sup>

On January 24, 2000, the Applicants filed petitions for certifications as ILECs. On February 7, 2000, the Applicants filed amendments to the original petitions. As a result of meetings between CenturyTel and Commission staff, on February 29, 2000, the Applicants filed second amendments to the original petitions. The second amendments expressly superseded all prior applications and amendments. At the open meeting on April 6, 2000, the Commission determined that both applications were complete.

As new entities, the Applicants must secure initial certificates of authority under Wis. Stat. § 196.50(2), and must establish new “just and reasonable” rates under Wis. Stat. §§ 196.19 and 196.20. Applicants have filed proposed initial interim rates that, in general, maintain existing GTE residential and business rates and increase current GTE intrastate access rates. The new entities are the first seeking certification as new telecommunications utilities under Wis. Stat. § 196.50(2) since that section was created by 1993 Wis. Act 496. At the outset, the two entities will be traditional rate-of-return regulated utilities.

Under Wis. Stat. § 196.50(2)(f), the Commission shall provide “a notice and opportunity for hearing” prior to certification. Because Applicants plan to hold a series of open houses in or near communities that will be served by the new companies, the hearing will be conducted in Madison. Applicants shall provide telephone hookups for affected customers throughout the state.

Wis. Stat. § 196.50(2)(f) provides that, “The commission may order the applicant to satisfy any conditions that the commission considers to be necessary to protect the public interest, including structural safeguards.” In addition, the Commission may grant temporary licenses pursuant to Wis. Stat. § 196.50(2)(e), if the Commission deems such action is appropriate.

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<sup>1</sup> The 42 exchanges are: Alma Center, Arcadia, Argyle, Augusta, Bangor, Benton, Black Creek, Black River Falls, Blair, Centerville, Cleghorn, Darlington, Denmark, Ettrick, Fairchild, Fall Creek, Fountain City, Galesville, Gratiot, Hixton, Holmen, Kingston, Luxemburg, Markesan, Melrose, Merrillan, Mindoro, Montfort, Muscoda, New Franken, Nichols, Osseo, Pickett, Rosendale, Seymour, Shiocton, Shullsburg, Taylor, Trempealeau, Wautoma, Whitehall, and Wiotia.

<sup>2</sup> The 35 exchanges are: Balsam Lake, Barron, Birchwood, Boyceville, Butternut, Centuria, Colfax, Eastman, Elk Mound, Elmwood, Gillett, Glenwood City, Glidden, Hayward, Knapp, Lakewood, Laona, Maiden Rock, Mellen, Park Falls, Pepin, Plum City, Prairie Du Chien, Prescott, Rice Lake, Seneca, Spider Lake, Springbrook, St. Croix Falls, Stone Lake, Suring, Wabeno, Wauzeka, Wheeler, and Winter.

<sup>3</sup> Telephone USA is 89-percent owned by CenturyTel of the Northwest, Inc., which is 100-percent owned by CenturyTel Holdings, Inc., which is 100-percent owned by CenturyTel, Inc.

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The hearing in this proceeding will address the following issues related to certification and initial rate schedules:

1. Is it in the public interest to certify one or both of the Applicants?
2. If it is in the public interest to certify one or both Applicants, what conditions, if any, should be imposed upon them as telecommunications utilities providing local exchange service and as providers replacing an incumbent local exchange carrier?
3. Is it in the public interest to approve interim rates for the new telecommunications utilities, assuming certification?
4. What level of interim rates is just and reasonable?
5. Should interim rates be made subject to refund, and, if so, with what terms and conditions, if any?

Applicants are responsible for giving notice of this proceeding to affected customers and shall file proof of notice at the hearing.

**NOTICE IS GIVEN** that the Commission will hold a hearing beginning on **Tuesday, May 23, 2000**, at **9 a.m.** in the Amnicon Falls Hearing Room at the Public Service Commission Building, 610 North Whitney Way, Madison, Wisconsin, and continuing at times to be set by the presiding Administrative Law Judge. This building is accessible to people in wheelchairs through the Whitney Way first floor (lobby) entrance. Parking for people with disabilities is available on the south side of the building. Any person with a disability who needs additional accommodations should contact the case coordinator listed below.

Persons who desire to become parties must request party status in writing pursuant to Wis. Stat. § 227.44(2m) and Wis. Admin. Code § PSC 2.32(3). A person need not be a party to testify at the hearing. Party status requests shall be addressed to Jeffrey J. Patzke, Administrative Law Judge, Public Service Commission of Wisconsin, P.O. Box 7854, Madison, Wisconsin 53707-7854 and shall be served on the Applicants and filed **no later than May 5, 2000.**

This is a Class 1 proceeding as defined in Wis. Stat. § 227.01(3)(a).

The Commission considers it necessary, in order to carry out its duties, to investigate all books, accounts, practices, and activities of the Applicants. The expenses incurred or to be incurred by the Commission which are reasonably attributable to such an investigation will be assessed against and collected from the Applicants in accordance with the provisions of Wis. Stat. § 196.85 and Wis. Admin. Code ch. PSC 5.

The Commission does not discriminate on the basis of disability in the provision of programs, services, or employment. Any person with a disability who needs accommodations to participate in this proceeding or who needs to obtain this document in a different format should contact the case coordinator listed below.

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Questions from the media should be directed to Jeffrey L. Butson, Public Affairs Director at (608) 267-0912.

Other questions regarding this matter should be directed to case coordinator Thomas Ferris at (608) 266-1124.

Dated at Madison, Wisconsin, \_\_\_\_\_

By the Commission:

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Lynda L. Dorr  
Secretary to the Commission

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